

**Provider Education Article**  
**Billing Guidelines for Outpatient Rehabilitation Services**

This provider education article discusses the background of the outpatient rehabilitation services limitation regulation, therapy modifiers, applicable outpatient rehabilitation Healthcare Common Procedure Coding System (HCPCS) and revenue codes, and billing instructions. In addition, it includes information resources for outpatient rehabilitation services.

**Background**

Section 4541(a)(2) of the Balanced Budget Act (BBA) (P.L. 105-33) of 1997 required payment under a prospective payment system for outpatient rehabilitation services, which includes the following services:

- Physical therapy, including outpatient speech-language pathology; and
- Occupational therapy.

Section 4541(c) of the BBA required application of a financial limitation to all outpatient rehabilitation services. These limits do not apply to therapy rendered by outpatient departments of hospitals unless the beneficiary is a resident of either a Medicare-certified skilled nursing facility or a Medicare-certified portion of a skilled nursing facility. These limits were applied in 1999. However, due to a Congressionally imposed moratorium, the limits have not been effective during the years 2000, 2001, or 2002. The outpatient rehabilitation services financial limitations were initially planned to resume on July 1, 2003, but their implementation has been delayed. The limitations on outpatient rehabilitation therapy services have been implemented again on September 1, 2003.

**Therapy Modifiers**

- For any applicable rehabilitation therapy service that is rendered, providers/ suppliers must report one of the following therapy modifiers, which were effective on January 1, 2003:
  - GN** - Services delivered under an outpatient speech-language pathology plan of care.
  - GO** - Services delivered under an outpatient occupational therapy plan of care.
  - GP** - Services delivered under an outpatient physical therapy plan of care.

**NOTE:** These therapy modifiers do not allow a provider to deliver services that they are not recognized by Medicare to perform.

### **Applicable Outpatient Rehabilitation HCPCS and Revenue Codes**

- The HCPCS code list for outpatient rehabilitation services was revised in Transmittal B-03-065 to include additional codes that will not apply to the financial limitations when billed by physicians and non-physician practitioners, as appropriate.
- These codes supersede the codes listed in §3653 of the Medicare Part A Intermediary Manual, Part 3.
- This listing of HCPCS codes does not imply that services are covered.
- HCPCS codes apply to each financial limitation except as noted below.

29065+	29075+	29085+	29086+	29105+	29125+	29126+	29130+	29131+	29200+
29220+	29240+	29260+	29280+	29345+	29355+	29365+	29405+	29425+	29445+
29505+	29515+	29520+	29530+	29540+	29550+	29580+	29590+	64550+	90901+
90911+	92506	92507	92508	92526	92597	92601++	92602++	92603++	
92604++	92607	92608	92609	92610+	92611+	92612+	92614+	92616+	95831+
95832+	95833+	95834+	95851+	95852+	96000+	96001+	96002+	96003+	96105+
96110+*	96111+	96115+	97001	97002	97003	97004	97012	97016	97018
97020	97022	97024	97026	97028	97032	97033	97034	97035	97036
97039	97110	97112	97113	97116	97124	97139	97140	97150	97504**
97520	97530	97532	97533	97535	97537	97542	97601+	97703	97750
97799*	V5362*	V5363*	V5364*	G0279+***		G0280+***		G0281	
G0283	0020T+***		0029T+***						

- \* The physician fee schedule abstract file does not contain a price for codes 96110, 97799, V5362, V5363, and V5364 since they are priced by the carrier. Therefore, contact the carrier to obtain the appropriate fee schedule amount in order to make proper payment for these codes.
- \*\* Code 97504 should not be reported with code 97116. However, if code 97504 was performed on an upper extremity and code 97116 (gait training) was also performed, both codes may be billed with modifier 59 to denote a separate anatomic site.
- \*\*\* The physician fee schedule abstract file does not contain a price for codes G0279, G0280, 0020T, 0029T since they are priced by the carrier. In addition,

coverage for these codes is determined by the carrier. Therefore, contact the carrier to obtain the appropriate fee schedule amount.

- + These codes will not apply to the financial limits when they are not done under a therapy plan of care and they are billed by providers of services who are represented by any specialty codes except 65 and 67 (PT in Private Practice, OT in Private Practice), also 73 and 74 (which were incorrectly noted in AB-03-018 and have since been reassigned to specialties that are not therapy services.) Specialty codes 73 and 74 will be removed in a future instruction. Physicians and non-physician practitioners should only use therapy modifiers (GP, GN, GO) with the above codes when the services are provided under a therapy plan of care.
- ++ If an audiology procedure (HCPCS) code is performed by an audiologist, the above modifiers should not be reported, as these procedures are not subject to the financial limitation. When these HCPCS codes are billed under a speech-language pathology plan of care, they should be accompanied with a GN modifier and applied to the financial limitation.

### **Carrier Billing Instructions**

- Claims must include PT, OT, or SLP modifiers (GP, GO, and GN) when any of the HCPCS codes listed above are used (see exceptions noted by + and ++ in the footnote following the list above). Claims will be returned to providers/suppliers and processing will be delayed if the modifiers are not included.
- In addition, it has been noted that some providers are using modifiers inappropriately with HCPCS codes that are not on the above list. As a result, charges will be incorrectly applied to therapy caps.

### **Intermediary Billing Instructions**

- If the PT, OT, and SLP modifiers (GP, GO, and GN) are not billed with revenue codes 42x, 43x, or 44x, the claim will be returned to the provider.
- Claims with the appropriate modifiers under revenue codes 42x, 43x or 44x, but with HCPCS other than those identified above, may result in charges being incorrectly applied to the therapy caps.

### **General Billing Instructions**

- Providers should be aware that billing a modifier inappropriately with HCPCS or revenue codes that are not listed above may result in charges incorrectly applied to whichever therapy cap the modifier denotes. This incorrect billing deprives the

recipient of benefits to which they are entitled and which are not subject to the financial limitation.

- The HCPCS codes marked + on the list above may or may not be considered outpatient rehabilitation services, depending on the circumstances and the practitioners involved. These codes always represent therapy services when done by therapists. They also represent rehabilitation therapy services when done by physicians and non-physician practitioners who are licensed to provide therapy services and the services are not isolated medical services (e.g., a cast) but part of an episode of care whose goal is rehabilitation. When outpatient rehabilitation therapy services are billed, therapy modifiers must be used and all requirements for rehabilitation therapy services must be followed, including a plan of care.
- Diagnostic audiology codes do not require therapy modifiers (see audiology procedure footnote ++ in above list). Audiology services are not subject to therapy caps. Speech-language pathologists are not qualified to perform diagnostic audiology services. The audiology codes will be removed from the list in a future instruction.

### **Outpatient Rehabilitation Services Information Resources**

- Program Memorandums
  - Transmittal B-03-065 dated August 22, 2003
  - Transmittal B-03-051 dated July 16, 2003
  - Transmittal AB-03-097 dated July 3, 2003
  - Transmittal AB-03-085 dated June 10, 2003
  - Transmittal AB-03-073 dated May 23, 2003
  - Transmittal AB-03-057 dated May 2, 2003
  - Transmittal AB-03-018 dated February 7, 2003
- Therapy Resources Web Site  
[www.cms.hhs.gov/medlearn/therapy](http://www.cms.hhs.gov/medlearn/therapy)
  - Medicare therapy news
  - Frequently asked questions
  - General information documents
  - Therapy medical review operations
  - General research tools for therapy topics
  - Research tools for specific therapy topics
  - Evidence-based literature review
  - Join therapy cap listserv (electronic mailing list)